



November 12, 2014

Item No. 8

RECOMMENDATION TO APPROVE THE AFFIRMATIVE MARKETING OF THE PROPERTY RENTAL ASSISTANCE PROGRAM TO MODERATE REHABILITATION OWNERS IN ORDER TO FURTHER PLAN FORWARD GOALS

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (Board) approve the attached Resolution to affirmatively market the Property Rental Assistance program to owners of properties in the Chicago Housing Authority's (CHA) Moderate Rehabilitation portfolio to further the Plan Forward goals of increasing consistency across all of CHA's housing programs and preserving affordable housing units.

CORPORATE GOAL

The proposed action supports Plan Forward Goals #1: coordinating public and private investment to develop healthy, vibrant communities and #2: increasing effectiveness and ensuring sustainability of CHA's portfolio.

FUNDING

Not applicable.

BACKGROUND

Pursuant to the United States Housing Act of 1937 (Act), CHA is authorized to administer housing programs under Section 9 (public housing programs) and Section 8 (low income assistance programs) of the Act. Housing Choice Vouchers (HCV) and Project Based Vouchers (PBV) are governed by Section 8. Two lesser known programs, the Section 8 Moderate Rehabilitation (non-SRO Mod Rehab) and Section 8 Moderate Rehabilitation Single Room Occupancy (Mod Rehab SRO) (collectively, Mod Rehab), also provides project based rental assistance to low income families. The non-SRO Mod Rehab program was repealed in 1991 and although no new rehabilitation projects are authorized, properties rehabilitated prior to 1991 pursuant to a housing assistance payment contract (HAP) continue to be eligible for annual renewal. Mod Rehab SRO is currently active but no new grants are being awarded. HAPs in the Mod Rehab SRO program are also eligible for annual renewal.

CHA administers all PBVs funded by the United States Department of Housing and Urban Development (HUD) under a program created by CHA known as the Property Rental Assistance program (PRA). However, the Mod Rehab program is administered separately from the PBVs in the PRA program as it is governed by separate federal regulations, is funded separately by HUD and is not included in the Moving To Work agreement between CHA and HUD.

OPERATIONAL IMPACT

CHA provides rental assistance to almost 1,300 low-income household under the Mod Rehab program. For each owner of a Mod Rehab property who applies for and is approved for PRA, CHA would realize administrative cost savings. CHA would also benefit from reduced compliance risk and administrative

burden associated with operating the smaller program. All owners of Mod Rehab properties will be informed that any decision to submit an application for the PRA program is voluntary and subject to selection criteria detailed in CHA's Administrative Plan. Owners will also be informed that they are not guaranteed selection because they are owners of Mod Rehab properties.

RESIDENT AND OWNER IMPACT

If a Mod Rehab owner is selected for the PRA program and opts out of their Mod rehab contract, the owner would be able to move from a contract subject to annual renewals to a long-term rental assistance contract. This will help ensure the long-term viability of these developments and allow owners to access additional resources to make physical improvements.

In addition, HUD would issue tenant protection vouchers with which existing residents can stay in place or move. Current Mod Rehab residents would benefit by having long-term, stable affordable housing and CHA wait list applicants, who are not currently referred to Mod Rehab properties, would benefit from having increased housing opportunities.

WAIT LIST/OCCUPANCY PROCESS

Across the Mod Rehab portfolio, vacancy is approximately two percent. At turnover, properties approved for PRA will lease all of the assisted units to eligible applicants from the applicable CHA wait lists in accordance with the Administrative Plan. CHA wait lists will be exhausted prior to utilization of a site-based waiting list.

CONCLUSION

The Board action recommended in this item complies in all material respects with all applicable CHA Board policies and all applicable federal procurement laws.

The Chief Housing Officer concurs with the recommendation to affirmatively market the Property Rental Assistance program to owners of properties in the CHA's Moderate Rehabilitation portfolio to further the Plan Forward goals of increasing consistency across all of CHA's housing programs and preserving affordable housing units.

The Chief Executive Officer/President recommends the affirmative marketing of the Property Rental Assistance program to owners of properties in the CHA's Moderate Rehabilitation portfolio to further the Plan Forward goals of increasing consistency across all of CHA's housing programs and preserving affordable housing units.

RESOLUTION 2014-CHA-113

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated November 12, 2014 requesting authorization to affirmatively market the Property Rental Assistance program to Moderate Rehabilitation owners in order to further Plan Forward goals of increasing consistency across all of CHA's housing programs and preserving affordable housing units.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners approves the affirmative marketing of the Property Rental Assistance program to Moderate Rehabilitation owners in order to further Plan Forward goals of increasing consistency across all of CHA's housing programs and preserving affordable housing units.



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